



Sustainable Urban Management IQC

USAID Quarterly Report XVII

January-March 2004

Prepared for the U.S. Agency for International Development

**International City / County Management Association
LAG-I-00-99-00008-00**

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January 1-March 31, 2004

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Task Order No.: 11

Task Order Title: Core Management and Budget Skills for Indonesian Local Governments

Period of Performance: September 30, 2000 – February 11, 2005

USAID Office/Mission: USAID/ Jakarta

CTO: Jessica Tulodo

I. Introduction

The International City/County Management Association's (ICMA) Building Institutions for Good Governance (BIGG) Program operates under USAID Strategic Objective 10: Decentralized, Participatory Local Government. To this end, it is designed to help USAID meet its four intermediate results (IRs):

- IR 1: Appropriate Environment Established to Enable Effective Local Government
- IR 2: Local Government Capacity Strengthened to Deliver Effective Services
- IR 3: Participation Increased in Local Government Decision-Making
- IR 4: Associations of Local Governments and Officials Established as Advocates

The implementation of the "Core Management and Budget Skills for Indonesian Local Governments" Task Order began on September 30, 2000. This report covers the period January through March 2004 (Quarter 14) and covers the major accomplishments and challenges for the thirteenth quarter along with the planned activities for the next quarter.

II. Major Accomplishments

Field Operations

K2K Model

Deliverables: Last quarter, the 18 local governments in the K2K Model submitted the first draft of the focus area's performance budget. This quarter, all local governments completed and submitted their final performance budgets for the selected focus areas. The Team Leaders reviewed and provided feedback. This quarter, Tangerang also submitted its Public Information and Involvement Plan, which was outstanding from the previous quarter.

Information sharing workshops: This quarter, all LGUs have conducted their first and second information sharing workshops. The Field Operations Team and K2K LGUs mutually agreed that two information sharing workshops are sufficient for the purpose of exchanging information on performance-based budgeting and that it is not necessary to conduct the third and fourth workshops. The workplan for the period Jan 1, 2004 to February 11, 2005 has already been modified to reflect this change.

Performance Reporting Workshops: In February, the Team Leaders and Local Coordinators participated in a four-day Training on Materials workshop on Performance Reporting conducted by the Training Team. Following the TOM, the Field Operations team implemented the 2-day

Performance Reporting workshops for thirteen out of the eighteen local governments participating in the K2K program. Due to the political campaigns and election activities in March and April, it was not possible to implement the workshop in all 18 local governments this quarter. Next quarter, the five remaining local governments will receive the Performance Reporting Workshop.

Preparation of K2K Model for Year 4: In Year 4, the K2K Program will select 4 Inti local governments and each Inti will have up to 3 satellites. The selected Inti are: Kota Bukittinggi, Kabupaten Sukoharjo, Kota Balikpapan, and Kabupaten Takalar. This quarter, the Field Operations Team has been busy securing MOUs for Inti and satellites.

Papua Program

Program Deliverables: This quarter, the three Papua local governments (Sorong, Fakfak, and Manokwari) participating in this program submitted their final four deliverables. Fakfak continued to implement performance budgeting on a city-wide basis and is using the new account code structure proposed by BIGG-ICMA. Sorong is starting to implement PBB on a city-wide for the 2004 budget. Manokwari is also planning to implement PBB on a city-wide, but only after they received a warning from the Province of Papua requiring them to do so.

Sleman Special Project

Last quarter, BIGG proposed a new account code and accounting structure for recording the transactions of the Education Department. This quarter, BIGG developed a performance reporting format for both the Department and Kabupaten Level. Using the data transactions from the Education Department, BIGG worked with the Education Department staff to prepare the department's performance report. BIGG also created a simple performance report for the Kabupaten. To do this, BIGG designed and distributed a survey questionnaire for several departments, analyzed the results, and drafted a sample performance report. Next quarter, a final workshop will be conducted in Sleman to report on the results.

Salary Restructuring Opportunity for LGUs: It has long been understood that salaries received by local government staff in Indonesia are not sufficient to sustain the lives of the staff and their families. However, it is also known that the salary represents but one part of the total income which local government staff actually receive. The other official and unofficial sources of income can increase the total income received by local government staff by a very large factor. This practice carries with it a great many distortions with respect to the allocation of scarce resources and a major negative impact on professionalism in local government.

Discussions have been taking place with selected local governments to consider changing the structure of the income being received by the local government staff. This "corruption and bribes" issue has long been a good governance issue, but the structure of incomes to LGU staff is also an impediment to implementation of performance-based budgeting. This occurs because local salaries and "honor" accompanying the implementation of projects are currently under the

indirect cost category of expenditures and not included with performance measures. The placement of these costs in this category and excluding them from performance measurement is directly specified in KepMen 29.

The dialogue with heads of selected local governments is taking place to determine their commitment to implementing a pilot program for adjusting the current structure of local government staff to accomplish several objectives such as: (1) eliminating the need for local government staff to seek out new activities/projects in order to obtain an additional stream of income; (2) providing equitable levels of income to reflect the work load, and other more objective measures of productivity; (3) creating a more professional working environment for the local government employees, and (4) implementing sound good governance principles.

BIGG is proposing a program that would initiate changes in the income system on a pilot basis for at least one department in each of the participating local governments. Based on this experience, the local government can decide to continue to expand this new system to other departments or discontinue the effort.

This activity will include the following steps:

- Invite a selected group of local governments to participate in this pilot activity;
- Hold a round-table discussion to support the commitment expressed by responding positively to the invitation to participate;
- Compare personnel and salary systems with Malaysia through a two-day visit to Kuala Lumpur and selected small cities around Kuala Lumpur.
- Determine how each participating local government can best implement changes in their particular socio-political environment with the goal of initiating these changes in one department by August 1, 2004.

Training and Publications

Province Model: This quarter, BIGG's Training Team completed the Province Model in West Java, East Kalimantan, and East Java. This consisted of a five-day Training of Trainers workshop for provincial trainers per province listed.

The Province Model was conducted as a five-day consecutive workshop in all provinces with the exception of South Sulawesi where it was conducted as a six day workshop in a three-part series as follows: A Series - May 27-28, 2003; B Series - August 12-13, 2003; and C Series - October 15 – 18, 2003.

Performance Reporting Workshops: This quarter, the training team designed materials for a new workshop on Performance Reporting and conducted two four-day Training on Materials for the Performance Reporting Workshops. The first TOM was for BIGG's training team, team

leaders, university staff, and the second TOM was for the local coordinators and staff from the Ministries of Finance and Home Affairs.

Following the TOM, the training team implemented six two-day Performance Reporting workshops in the six APEKSI regions for selected local government participants.

The number of training days at the six performance reporting workshops varied from workshop to workshop. In the first two workshops in Padang and Bali, attendance was low; while in Yogyakarta, Surabaya, Pekanbaru and Manado, participation rates were high. The low level of attendance in Padang and Bali are suspected to be due to a combination of the following factors: 1) local governments delayed the ratification of their APBD until February and March (it was supposed to be ratified by the previous December); 2) the performance reporting workshops were conducted the month before the general election in April during which time legislative council members are busy preparing for the election; 3) the head of local government and his/her staff are busy preparing the accountability report that must be completed by 31 March; and 4) the workshop participants were required to cover their own transportation costs to the workshop and many claimed that this cost had not been budgeted by their local government.

The workshop participants responded favorably towards the workshop materials and indicated that it was relevant to the local government needs. However, their readiness to implement performance reporting varied among participants. Participants who are below echelon III level cannot make decisions about whether they will socialize or implement the workshop materials. Meanwhile, the participants from both echelons III and II stated that they were ready to implement the performance reporting although they complained that the central government has not yet issued supporting regulations to require performance reporting. Participants from Kota Medan, Kota Palu, Kota Ternate, Kabupaten Bulukumba and Kota Surabaya stated that they are willing to socialize and implement performance reporting.

In addition to the performance reporting workshops in the APEKSI regions, the training team also assisted the Field Operations Team with the implementation of 18 on-site performance reporting workshops in the K2K Model, which are described under the Field Operations section.

Association Model: As a follow up to the Association Model which was completed last quarter, APKASI and APEKSI submitted their draft proposals, developed jointly with BIGG, for their planned workshop implementation. Both APKASI and APEKSI took initiative in their proposals to modify the workshop agendas by adding a third-day to the 2-day workshop.

Both APKASI and APEKSI requested the use of BIGG's training staff to help deliver the workshops. BIGG reiterated its position that BIGG staff is not available to be used as trainers for association workshops and encouraged them to use trainers from BIGG's Local Government Consulting Pool. Both associations agreed to do that; however, the Task Order offered to provide each association with up to two of BIGG's training staff for one day of the TOM and the Cooperative Agreement offered to cover the roundtrip airfare for transporting one trainer to the workshop.

BIGG encouraged each association to conduct a 2-3 day Training on Materials (TOM) to provide the trainers an opportunity to understand and modify the materials in advance of the first

workshop. BIGG also encouraged them to set the workshop participant's fee high enough to cover the costs of implementing the TOM. Both associations acknowledged that this was a good idea and are now exploring the costs involved in conducting a TOM and identifying trainers.

APEKSI is tentatively scheduled to conduct its first workshop, Own Source Revenues on April 22-23 in Jakarta, using the materials developed under the Association model. APKASI is tentatively scheduled to conduct their first workshop for a performance-based budgeting workshop in August.

Performance Budget Reference Manual: Last quarter, BIGG/ICMA issued the first release of the Performance Budgeting Reference Manual to the 33 local governments participating in the program in Year Three. The first release contained a sample budget calendar, sample budget instructions, and sample public information and involvement plan.

This quarter, BIGG/ICMA staff further developed the Table of Contents and drafted extensive questions and answers for all five sections of the reference manual. The manual was also translated and edited this quarter. Sections will be released in phases over the next quarter. Once all of the materials in the manual have been developed, one copy of the manual will be distributed to all local governments in Indonesia.

Local Government Consulting Reference Manual: The Local Government Consulting Reference Manual is another component in the BIGG technical assistance program designed to assure sustainability of local government capacity building beyond the life of the contract. The materials cover: 1) technical and relationship tools designed to assist in planning and implementing a range of technical and process consulting services to local government clients and 2) the mechanics of how to establish and maintain a consulting service.

This quarter, BIGG prepared, translated, and distributed the Local Government Consulting Reference Manual to more than 90 staff in its Local Government Consulting Pool, consisting of the BIGG/ICMA Training Team, Team Leaders and Local Coordinators, university staff, Ministry of Finance and Ministry of Home Affairs staff, and Association partners. BIGG also distributed the manual to the two local government staff at each Inti local government that are working closely with BIGG.

Publications and Other Activities: In Quarter 14, the Training and Publications Team also completed the following tasks:

- Assisted with the preparation and submission of the BIGG/ICMA work plan in response to USAID's Request for Proposal for a 7-month program extension.
- Printed and distributed bilingual versions of The BIGG Picture Edition 27 (APKASI's Best Practices).
- Prepared written bilingual documentation of all training events conducted in Quarters 13 and 14.

Program Coordination

BIGG/ICMA and PERFORM conducted several coordination meetings this quarter with the following results: 1) exchanged all training materials; 2) jointly prepared a broad, summary calendar incorporating the planning and budgeting processes; 3) agreed that each program would continue to use its own more detailed calendars for planning (for PERFORM) and budgeting (for BIGG); 4) identified areas where both programs have little to no influence on local governments; 5) identified areas where local governments still need to make changes; and 6) identified next steps for BIGG and PERFORM to move forward.

Another outcome of the coordination meetings was that BIGG and PERFORM recognize that both programs are using the same basic concepts and principles, but with slightly different definitions and nomenclature. This is not an impediment in any way. There are numerous definitions and nomenclature in use throughout the world. Both programs are compatible and not contradictory.

PERFORM also agreed on the importance of teaching its LGU participants how to move indirect into direct costs in its training workshops that will be conducted in the coming year. BIGG/ICMA is already covering this material in its workshop C for Y3 LGUs and will further revise the ABC workshop materials for Y4 LGUs to more thoroughly cover this topic.

This quarter, BIGG also held coordination meetings with the MBE and MSH programs to exchange program material, particularly with regard to the health and education indicators both of these programs are using with the LGU partners. Both BIGG and PERFORM agreed that it would be extremely helpful if USAID were to require MBE and MSH to work in some of the same LGUs that BIGG and PERFORM are jointly working in this year. This overlap would facilitate the coordination and interrelationship of the four programs in the field and go beyond exchanging materials.

III. Challenges/Issues of Concern Affecting Implementation and Actions Taken

The Role of the Central Government: This quarter, the central government issued Treasury Law No. 1/2004, which regulates budget implementation. BIGG/ICMA is currently reviewing this legislation. The central government also issued a draft government regulation regarding Work Plan and Budgeting for Government Organizations (Rancangan Peraturan Pemerintah tentang Rencana Kerja dan Anggaran Instansi Pemerintah). This will regulate performance-based budgeting and reporting for the local government budget and includes documents, forms, account codes, classification of organization, functions, and expenditures. Once this government regulation is finalized and promulgated, it will supercede or be higher than KepMen 29/2002 issued by the Ministry of Home Affairs.

IV. Projected Activities for the Next Quarter

Field Operations:

- Conduct the 2-day Performance Reporting workshop in 5 more LGUs in the K2K Model.
- Conduct the 2-day Performance Reporting workshops for the 3 Y3 LGUs in Papua.

- Conduct the A and B workshop series for the new Y4 LGUs in the K2K Model.
- Conduct the A and B workshop series for one Y4 LGU in Papua.
- Conduct the final workshop in Sleman.
- Secure all signed MOUs for local governments participating in the 2004 program.

Training and Publications

- Prepare and conduct the national conference for LGUs participating in the K2K and Papua program in Year 4.
- Design and implement Budget Clinic I in 6 locations in the APEKSI Regions
- Conduct the 4-day P2P Model for up to 9 LGUs in the Papua.
- Conduct 1 2-day Performance Reporting workshop for LGUs in Papua.

Task Order No.:05

Task Order Title: USAEP Municipal League Development

Period of Performance: September 30, 2001-September 30, 2005

USAID Office/Mission: ANE/USAEP

CTO: Winston Bowman

I. Introduction

In support of USAEP's Urban Strategy and Urban Regional Activities Plan, four types of assistance are requested for nascent and established municipal support organizations and Asian municipal governments in targeted countries. The task order focuses on the following four areas:

Task 1: Advisory service to newly formed and established municipal associations and local government leagues

Task 2: Technical assistance to local governments participating in Resource Cities or other donor-funded technical programs

Task 3: Facilitation of information generation and information sharing; and

Task 4: Facilitation of Grants, Study Tours and conferences

II. Major Accomplishments

During this quarter, ICMA began conducting strategic planning sessions for the board members of each association. To date, ICMA-India has conducted a strategic planning session with the City Managers Association of Rajasthan and will conduct the remainder of the sessions after the federal elections in May 2004.

ICMA also worked with the secretariat of Rajasthan (CMAR) to analyze association programs, technical support to membership and financial sustainability. A questionnaire was developed and disseminated to gain feedback from association members. The strategic planning session helped the membership revisit the objectives, scale and nature of activities it has undertaken. This planning enabled the board to initiate an active drive for membership dues collection and make decisions regarding specific programs that will be conducted in the future. The board agreed upon an annual work plan and budget, which included the hiring of more staff to assist with increased association activities. ICMA-India staff worked with Rajasthan on the issue of FCRA (Foreign Contribution Regulation Act) approval, which is a requirement of the Government of India, in order to access USAEP/USAID grant funding allocated under this Task Order.

In addition to the FCRA assistance provided to CMAR, ICMA worked with each of the associations to file the necessary paperwork for FCRA approval and helped prepare budgets for the grants under the USAEP Task Order.

Throughout the quarter, ICMA continued to communicate with CMA board members and wrote monthly bulletins that included updates on association activities. These bulletins serve as a networking platform for all stakeholders and associations.

All CMAs are now moving towards financial sustainability.

India Association Development

The associations have begun to work on joint, topical papers. The first topical paper to be published will address “The Contract System in Solid Waste Collection, Segregation, Transportation, and Disposal.” Each association will provide information from their state, which will be used to publish the paper and be disseminated to association members.

Accomplishments for each of the city managers associations are as follows:

City Managers Association of Karnataka (CMAK)

- CMAK continues to build their membership, collect annual fees and distribute membership certificates. The association now consists of seven full-time staff members.
- To develop the administrative capacity of the association, CMAK began collecting resumes of all members of the association and prepared/circulated the following documents to the board for review/approval: draft document on human resources, Election Bylaw details, a Corporate Code of Ethics and agenda. Based on the board’s response, CMAK finalized the formats for HR information collection and moved towards preparation of software to record and analyze the information. The template for CMAK’s action plan on solid waste management, for all cities, was also completed and circulated.
- In February, CMAK held its first workshop, with support and partial funding from NIUA, through the Indo-USAID FIRE (D) program. The workshop addressed leadership and included a morning training session on “Output Based Efficiency Measures.” 65 urban local bodies (ULBs) participated in the session, which was led by IDECK. The workshop was instrumental in initiating interest in performance indicator measurements. CMAK also organized its first general board meeting on February 7, which was attended by approximately 65 members.
- In addition to the workshop, CMAK published the “Guide on Street Naming & Property Numbering”, with assistance from The E-Governments Foundation. This guide was translated into Kannada, to increase distribution and readership.
- CMAK has initiated work on the Annual Report for Bangalore Municipal Corporation (BMC) and CMAK. The annual report will be disseminated to other local governments to serve as a guide for annual report preparation.
- In coordination with Tata Energy Research Institute (TERI) and Directorate of Municipal Administration (DMA), CMAK is working on a state-wide guide for the standardization of tenders for the operation and maintenance of street lights. As a service to Rajrajeshwari Nagar (a municipal corporation/city near Bangalore), CMAK will be preparing an action plan for solid waste management of the city. CMAK has submitted four best practices documented in Karnataka, to be considered for the Dubai Best Practices Awards.

City Managers Association of Maharashtra (CMAM)

- A joint meeting between CMAM officials, the Chief Secretary of the State and the government, resulted in a resolution to legally endorse the association. This resolution helped expedite the registration process, which was completed on March 18. The completion of the registration process increases the sustainability of CMAM, allows

CMAM to request governmental approval to accept grant funding and provides CMAM with the opportunity to increase its services to its members.

- CMAM coordinator, Anshu Sachdeva, continued documenting best practices from Maharashtra, in the following areas/municipalities:
 - 1) Water billing and regularization of illegal connections (Mira Bhayandar)
 - 2) Composting of solid waste through service contracts (Phaltan Satara)
 - 3) Energy Saving Initiatives (Thane Municipal Corporation)
- CMAM, in association with the All India Institute of Local Governance (AILSG) and Directorate of Municipal Administration, organized a workshop on Solid Waste Management that took place on April 7-8. Cities presented their waste collection, segregation and transportation processes. This workshop was aimed at collecting best practices in the solid waste management sector. AILSG and CMAM are going to jointly undertake documentation of best practices in solid waste management in the state.

City Managers Association of Orissa (CMAO)

- CMAO initiated the development of a lecture series, for its membership, on solid waste management, and on the delivery of urban services throughout the country.
- CMAO has been sending out issue papers and advocacy papers for the city and state governments. Members see immense value in this service provided by the association.

City Managers Association of Rajasthan (CMAR)

- CMAR, in collaboration with HCM RIPA (Rajasthan Institute of Public Administration), organized a one-day workshop on the concept of Best Practices. This workshop was held on February 4, 2004 and was funded by FIRE (D), through NIUA (The National Institute of Urban Affairs.) 34 best practices, from 20 local governments, were identified through the workshop. Attendees included commissioners, executive officers and health/revenue officers from Rajasthan.
- CMAR conducted a strategic planning workshop on March 24. This workshop highlighted work completed to date and helped formulate a course of action for the association. Attendance included approximately 25 members and office bearers. Manvita Baradi, Meghna Malhotra (ICMA-India staff) and P.U. Asnani (CMAG) facilitated the workshop and questionnaires were sent to members to gain their feedback on the function/vision of the association.
- CMAR has also compiled city profiles and identified approximately 40 best practices/initiatives from the state, that they plan to publish

City Managers Association of Tamil Nadu (CMATN)

- CMATN held its Annual General Board Meeting in February and approved the annual action plan for the association.
- CMATN is also planning to organize an Exhibition on Municipal Technology Provider Services for its members. Krishna Gopal (Coordinator, CMATN) has prepared a paper and is working out the feasibility options for organizing such an event in Chennai. This

exhibition will showcase and bring together technology providers from all service sectors pertaining to city government.

City Managers Association of Andhra Pradesh (CMAAP)

- In January, Manvita Baradi, Director of Association Programs, ICMA-India, met with the President of CMAAP and the Principal Secretary of Urban Development, Andhra Pradesh to discuss strategies for reactivating the association.

City Managers Association of Uttaranchal (CMAU)

- CMAU is in the process of documenting the formation of Mohalla Sanitation Committees. The committee will be formed by Nagar Palika Parishad Vikasnagar, which is in the District of Dehradun. CMAU is also developing a solid waste management plan, an orientation on double entry accounting, and installing birth and death registration software in 10 local governments.
- CMAU held its executive committee meeting on March 10.

City Managers Association of Madhya Pradesh (CMAMP)

- After initiating the documentation of best practices throughout the state, CMAMP conducted the first best practices transfer program. CMAMP also facilitated an exchange (January 19-20) between Gwalior Municipal Corporation and Nagpur Municipal Corporation, to see the “Integrated Road Development Project.” As a follow up to the exchange, CMAMP organized a one-day consultation in March on solid waste management, with technical support from USAID/USAEP.
- CMAMP has registered its website www.cmampindia.org and the association will be online soon.
- CMAMP has sent two of the best practices documented in Madhya Pradesh, as nominations to the Dubai Best Practice Award. It has also translated eleven practices into Hindi and is in the process of disseminating to members.

Thailand-Environmental and Urban Management

The Best Practices Symposium was originally scheduled to take place in March 2004, however, the symposium has been delayed and is now scheduled for August 2004.

Vietnam-Privatization of Solid Waste Management

During this quarter, ICMA hired a CCN/local consultant in Vietnam and a TCN consultant from India to examine the existing legal framework for the privatization of solid waste management systems. The People’s Committee in Ho Chi Minh City is currently drafting a new regulation on the socialization of waste cleaning, collecting and transportation services in Ho Chi Minh City (HCMC), in order to meet the increasing urban sanitation demands. ICMA has been asked to review the draft regulation and provide feedback on how it can be improved, to increase the effectiveness of solid waste service delivery. As such, ICMA translated the regulation and is currently drafting detailed recommendations for the improvement of existing legal documents, and suggesting opportunities that promote collaborative agreements between private sector companies and the government of HCMC. The recommendations should be released next quarter, so that they can be incorporated into the final version of the regulation.

In addition to the solid waste management activities in Ho Chi Minh City, ICMA also hired a TCN consultant to conduct the feasibility study of three coastal cities in Vietnam. The World Bank has proposed the implementation of the Coastal Cities Environmental Sanitation Project. In order to proceed on the project, however, they have requested baseline data and a review of solid waste management (including septic tank emptying) needs over a 15-year planning horizon for the three project cities. ICMA will compile this information in the form of a feasibility study and identify potential for private sector participation in solid waste management. The consultant is scheduled to begin work on the feasibility study in May 2004.

Sri Lanka

In coordination with USAID, ICMA identified Kotte, Sri Lanka and Travis County, Texas as partners for the ICMA CityLinks Program. Located 10 kilometers outside of Colombo, Sri Jayewardanapura Kotte is the legislative capital of Sri Lanka and the site of the Parliament. Due to its proximity to Colombo, Kotte faces many of the same urban issues that affect the commercial capital. The city is currently undergoing rapid population growth, which creates a strain on environmental and financial resources. As the population grows, Kotte will need to search for creative ways to provide improved, environmental services to their citizenry, on a limited budget. To assist in this process, ICMA will provide technical assistance, to Kotte, in the areas of solid waste management and budget/finance training. This assistance will be administered, through the ICMA CityLinks Program, and will focus on a hands-on approach that provides practical tools to respond to environmental challenges. ICMA will manage the exchanges and identify qualified consultants. The Institute of International Education/EPSCG will fund participant travel costs and coordinate logistical arrangements.

Based on this approach to technical assistance, ICMA identified and fielded two pro-bono consultants from Travis County, Texas, who specialize in landfill management and budgeting processes. The specialists met with officials in Kotte from March 8-12, to identify training needs and to develop a work plan for future partnership activities. The meetings reinforced the need for additional technical assistance. As such, ICMA and USAID are currently exploring additional opportunities to expand the scope of the partnership.

Philippines-Support to the League of Cities, Philippines

The World Bank released the organizational analysis for the League of Cities, Philippines (LCP) in December. The organizational analysis provided contextual background on the LCP, as well as a status report on LCP activities and recommendations for future technical assistance. During this quarter, ICMA reviewed the report and provided feedback to the LCP, USAID and USAEP, on technical assistance that would be facilitated by ICMA. Based on this report, ICMA proposed that the LCP be partnered with an association in the United States that would provide guidance to LCP, serving as a technical mentor in association development. LCP is currently facing a need for capacity building within the association, which would be fostered through the partnership. ICMA would manage the partnership, to ensure that assistance was based on LCP needs and to provide expertise in the area of local government.

The partnership will depend on the structural changes that are occurring within the LCP. Once the structural changes have been implemented, ICMA will identify a qualified and compatible partner for the LCP and organize meetings in the Philippines to solidify the partnership.

III. Challenges/Remedial Actions Taken

India

ICMA requested and received additional funding for technical assistance for the associations. This technical assistance continues to be provided in the form of ICMA guidance on capacity building and through direct grants to the associations. While many of the associations have provided grant proposals to ICMA, they are unable to accept grant funding until they receive FCRA approval from the Government of India. Each of the associations must file for FCRA approval, which generally takes 3-6 months to process. ICMA continues to assist, wherever possible, in the FCRA process, however, grant activities are delayed. In addition, association staff require intensive support in preparing proposals and budgets to receive funding from other donor organizations.

Although coordinators are integral to the development of the associations, lack of funding or competing needs, means that many associations are unable to finance coordinator salaries or hire more staff to account for increased membership driven activities. Associations need to divert more resources to their coordinators, but their budgets are limited and they are often unable or unwilling to do so. In response to the budget shortages, ICMA has agreed to allow associations to use partial grant funding for coordinator salaries or to hire research associates for specific programs, which is intended to alleviate some of the financial burden. By providing some salary assistance, the associations have been able to slowly take over financial responsibility for the coordinators.

Vietnam

Although the feasibility study for the World Bank was originally scheduled for February, the consultant hired to complete the study became ill and was unable to travel. ICMA has identified a qualified consultant to conduct the study, however, he is unavailable to travel to Vietnam until May. The May timeframe coordinates well with the World Bank Project schedule; as such, the feasibility study will be conducted next quarter.

Philippines

Due to structural changes in the LCP, association activities in the Philippines are currently on hold. Once the new LCP board has been elected (June 2004) and institutional changes have been implemented, ICMA will facilitate the partnership for the LCP. ICMA is currently identifying associations with relevant technical expertise for the LCP.

IV. Projected Activities for the Next Quarter

1. Continue to collect grant proposals from city managers associations in India, to determine funding levels for each association for FY 2004

2. Continue to assist with the publishing of newsletters for each of the CMA's in India
3. Continue to provide guidance to the city managers associations in India, on membership fee collection
4. Begin implementation of newly defined solid waste management activities in Vietnam
 - a. Field ICMA consultant to conduct the feasibility study of the three selected coastal cities
 - b. Through ICMA's Local Government Solid Waste Management Specialist, begin research on legal framework related to non-public participation in the solid waste management sector.
5. Identify a partner association for the League of Cities Philippines
6. Collaborate with Chulalongkhorn University to define and plan the best practices/innovations in local government symposium for Thailand.

Task Order No.: 10

Task Order Title: Information Communication Technology Applications in Support of
Municipal and Local Development in Bolivia

Period of Performance: October 1, 2002 - June 30, 2004

USAID Office/Mission: USAID/Bolivia

CTO: Diego Ayo

I. Introduction

There were three main notable activities during this period: 1) a workshop conducted between CEBEM, *Enlared* and USAID on the draft *Enlared* evaluation report presented by CEBEM. 2) A workshop entitled "Progress, Achievements and Difficulties Encountered in the *Enlared Municipal Project*" conducted with the participation of representatives from the Bolivian associative municipal system and 3) the conclusion of Phase II of the *Enlared* Project and the development and approval of a proposal for a no-cost extension for the transfer of *Enlared* to the FAM.

The workshop was conducted on January 19th, 2004 to discuss the evaluation carried out by CEBEM. The workshop allowed *Enlared* to request clarifications regarding the methodology used, as well as identify, based on the complementary documentation submitted to CEBEM by *Enlared*, the main conclusions and recommendations which were not presented in the draft report. The recommendations presented by the moderator of the session to adjust the evaluation document are as follows:

1. Create a glossary of terms such as *demand*, *baseline*, *sustainability* and others whose definition is different from that understood by the *Enlared* project team,
2. Specify the evaluation of each one of the components, emphasizing the assessment of the achievements made for each one and their relationship to initial objectives.
3. Review the documents submitted by the *Enlared* project regarding training, communication, and information dissemination components.
4. The report should specify the products that were achieved during each of the phases that correspond to the contracts signed between USAID-Bolivia and ICMA.
5. The conclusions presented at the request of USAID for the meeting remain in place and therefore will guide future actions of the *Enlared* project.

The workshop "Progress, achievements and difficulties encountered by the *Enlared Municipal Project*" was conducted on Wednesday, February 18th. Participating in this activity were managers and technical personnel of departmental associations and three of the partner *mancomunidades* that worked with the project. Following the opening ceremony of the event, *Enlared Municipal's* Project Director, Maria Victoria Pascual, conducted the Presentation of Progress, Achievements and Difficulties and Perspectives of the Project. Later, two groups used the FODA methodology to come up with recommendations and proposal. During the workshop, awards were given for best replication and best websites and project partners. In addition, correspondents and collaborators were recognized.

II. Major Accomplishments

The specific activities that were developed during the fifth quarter of the project's execution are described as follows:

1. Decentralized dissemination

Enlared transferred financial resources to the partner associations to promote the sale of services through information technologies, websites, virtual showcase, and banners (publicity). The following procedure was used: 1) the project partner provides *Enlared* with a formal request, including a dissemination plan, which contains the monthly budget and the formats or contents to be disseminated, indicating the days of publication and the respective communication media to be involved; 2) the *Enlared* team analyzes the viability of the request and proceeds to make the respective authorization (The team can suggest modifications or changes to the initial proposal by the project partner; 3) the request and approved documentation is processed by *Enlared*'s financial management office and a deposit is made into the partner's respective account (via check or electronic transfer). The funds allocated to decentralized dissemination have benefited eight partner associations (AMDEPANDO did not present a plan), and amount to \$10,225 USD.

2. Research regarding Annual Municipal Operating Plans (POAs) for 2003

The project conducted research regarding municipal investment and remunerations in the 2003 Annual Municipal Operating Plans and submitted it to the Ministry of Finance. The process that was used to conduct the research was the following: 1) gather and select information; 2) contract a statistical company for the transcription, coding and generation of a database based on the categories and variables provided by the project; 3) analyze of the variables (complete analysis performed on municipal investment information and partial analysis performed on remunerations); 4) incorporate results in MUNIDATOS (*Enlared* municipal's information database).

3. Elaboration of preliminary version of the Manuals for administrative performance

With the understanding that the portal will be transferred to the Bolivian municipal associative system, three preliminary versions of the following manuals have been developed: 1) Procedures Manual; 2) Functions Manual; 3) Personnel Manual; 4) Financial Manual.

4. Training Course: Information for Communal Development (CEDIB)

On February 13th, 2004, the "Information Training for Communal Development (CEDIB)" course was held in CEDIB-Cochabamba. The content of the course consisted of: 1) a general explanation of the material submitted including the monthly magazine, the database, and other materials under the responsibility of CEDIB; 2) an exchange regarding the current use of information in each location: Strengths, Opportunities, Weaknesses and Challenges; 3) Material, Information Services and South Forum practices; 4) Installation and configuration of ISIS, basic uses of ISIS; searches, how to update monthly information; use of WEB interface; 5) Evaluation and contacts network.

Fourteen technical people attended the course, including two representatives from each municipal departmental association, with the exception of AMDEPANDO, which was unable to attend, and Chuquisaca and La Paz, which sent one representative only.

5. Training

The following activities were undertaken in the area of training during the quarter:

- Five workshops on the virtual showcase replication were held.
- *Enlared* contracted an outside firm to undertake an evaluation of the training and monitoring activities, using statistical methods and interviews.
- The winners for the contests, which began in July, were selected.
- A video of the entire training model was developed.
- Input was obtained regarding strengths, opportunities, weaknesses and challenges to the project, as well as perspectives and target audiences.

The general results of the training component were the following: 1) Formation of a network of ICT trainers; 2) Training of 92 officials and partners of *Enlared*: 57% men and 43% women; 3) Training of more than 200 local officials; 4) High satisfaction levels regarding learning expectations; 5) Application of what was learned is above 60%; 6) Compilation of 114 sites as a result of all the workshops; 7) Replication of workshops: nine on the Internet, seven on websites and six on the virtual showcase; 8) Increased use of computers on a daily basis; 9) Increased use of the Internet on a weekly basis; 10) Increased use of the *Enlared Municipal Portal*.

6. Strengthening of Municipal Associative System

Through February 20th, 2004, the associative system had been generating income as a result of the sale of services for website design, hosting, virtual showcase and publicity through seven project partners (AMDEBENI and AMDEPANDO did not generate resources). The sale of services is equivalent to 37,072 Bs. (\$4,717 USD, \$1 USD = 7.86 Bs) thereby transforming itself, according to Mike Bennett, into "*the most significant revenue by sale of services of the Bolivian associative system*". Under this component, *Enlared* staff have produced a video on how to conduct business roundtables and generate revenue from the experience of the project partners.

7. Consolidation of the Virtual Information Agency

Following is a list of *Enlared* accomplishments for this quarter in the area of information dissemination:

- Through its network of correspondents, *Enlared* published more than 200 self-produced news items related to municipal issues and the activities of the associations as well as the project itself.
- Through the Virtual Information Agency, *Enlared* sent approximately 25 news items to the traditional media, of which 30% were published and/or broadcast.

- Collaboration was provided to the writers and editors of the FAM monthly magazine. The articles entitled, *"Enlared established the basis for making municipal purchases through the Internet in Bolivia"*, *"Enlared partners generated more than 25,000 Bs with the sale of portal services"* and *"www.enlared.org.bo will disseminate the remunerations of the 314 municipalities of Bolivia"* were published in the monthly magazine called "FAM Local Power" with a distribution of 11,000 copies. Furthermore, an artistic press layout was published on the cover promoting citizen participation: *"Each one of your words writes municipal history. Express your opinion at www.enlared.org.bo"*.
- New surveys and forums were incorporated into the portal.
- *Enlared* participated virtually in a course developed by the Universidad Andina Simon Bolivar as part of its Specialization on Communications and Development in the Information Society. The section presented by *Enlared* was called *"Experience and social uses of ICTs"*.

8. Municipal Column

On January 19th a new space on the portal was inaugurated to promote discussion -- "The Municipal Column". This space is in its initial phase and has appeared on a weekly basis. Since its first appearance to date there have been 10 different columns published.

9. Communication model with a technological approach

At the request of FAM, the document entitled *"Decentralization model with a technological approach for the area of communication and dissemination in associations and mancomunidades"* was developed. This document was developed to assist in the transfer of the portal to the associative system.

10. Presentation of "Municompras" (municipal e-procurement)

The pilot project, "Municompras" was presented before the offices of the Vice Presidency of the Republic as part of a program for the dissemination of success stories.

11. Information services

- **Municipality Responds -Contact us**

During the quarter, more than 100 consultations sent to *Enlared Municipal's* Municipality Responds-Contact Us service were processed. This serves to consolidate the online technical assistance support that the portal offers its users.

- **Comun@ Bulletin**

Twelve issues of the Comun@ Bulletin were designed and sent to more than 1200 electronic email accounts every Monday.

12. Direct Coordination with FAM

Coordination activities with the FAM have been systematized through two mechanisms. First, periodic meetings of those responsible for communications in FAM and *Enlared* are held regarding the definition of content, material to disseminate, editorials, and other issues. Second, coordination has occurred at the executive level between *Enlared's* director and the FAM executive director regarding the FAM's Triennial Plan and the Work Plan of the project.

13. ICT National Strategy for Development

On Monday, March 15th, the *Enlared* Project, together with the FAM, participated in a meeting to discuss the National ICT Strategy for Development at the UNDP. *Enlared* is part of the Inter-institutional Committee that will promote this strategy.

14. Specific activities of the *Enlared* Municipal technology team

- Set-up and distribution of *Enlared* Bulletin "Comun@" numbers 39 through 51
- Optimize technological platform
- Follow up and control phase 3 Munidata
- Follow up and control Security of Websites (concluded)
- Follow up and control of Site Administration (concluded)
- Follow up and control of sending of information (concluded)
- Maintenance of portal image
- Standard templates for virtual showcase
- Follow up phase 2 CEDIB newspaper library
- Partner relations. Technical Advising to Counterparts
- Platform maintenance
- Web server administration
- Mail server administration
- Information server administration
- Local network maintenance
- User support
- Partner support
- Monitoring and safeguarding of Security

15. Development of Transfer Proposal for USAID

As a result of the meeting with USAID to discuss the draft evaluation prepared by CEBEM and the Exit Plan presented by the *Enlared* team, the *Enlared* team developed several proposals with different scenarios for the continuation of *Enlared* and its transfer to the FAM. A no-cost extension was requested by USAID and ICMA responded on March 30 with a proposal which was approved on April 1.

III. Challenges / Remedial Actions Taken

The challenges that face the *Enlared* project's fifth quarter of execution will revolve and be based on the following fundamental areas:

1. Evaluation by CEBEM of the *Enlared* project

The evaluation conducted on the *Enlared Municipal* project by CEBEM was considered by ICMA to be an important initiative that would serve as input for establishing future lines of action for the Portal. However, once the results of the evaluation were known (draft report), ICMA was disappointed with the results that were presented and raised serious objections regarding the analysis, methodology used and conclusions presented in the draft report. ICMA provided a document, which summarized its objections. Some of these are outlined below:

- the absence of an evaluation plan and lack of explanation of the methodological design and evaluation hypotheses
- lack of double-checking by CEBEM of the information gathered
- the use of subjective criteria and unfounded statements reflecting a bias against the founding premises of *Enlared*.

Following the workshop that was conducted between *Enlared*/USAID/CEBEM, it was agreed to take into account both the additional documents presented as well as the clarifications made during the discussion for the presentation of a final evaluation report.

Since January 19th, when the above meeting took place, ICMA has on several occasions requested the Final Evaluation Report by CEBEM. ICMA feels that it could be a useful tool to guide the transfer of the portal to the FAM for its future implementation. Unfortunately, as of the end of the quarter, ICMA had not received the document.

2. Transfer of *Enlared* Project work model to the Associative System

Enlared staff have devoted a considerable amount of time to analyzing alternatives, risks, challenges and best conditions for the continuity of the project and presenting these informally and formally to USAID. The uncertainty as to the future of the project and the delay in receiving the terms of reference meant that some activities were negatively affected or had to slow down considerably. Once the terms were clear, *Enlared* staff began working on a transfer model to transfer capacities to the FAM in the face of limited financial resources and time limitations.

IV. Projected Activities

During the last quarter of the project's execution, the main focus will be on the transfer of the work model and of the portal to the associative system. The tasks that *Enlared Municipal* will face surrounding the transfer to the municipal associative system through the FAM are all the more challenging given the fact that what is being transferred is not just a website, but a portal (Electronic Services Platform). At the same time, the transfer involves a set of lessons learned regarding technological know-how that will enable the Bolivian municipal associative system to

increasingly exploit technology through the Internet. Since no final version of the technical evaluation conducted on the project has been received, a Work Plan is being developed that compiles the experience and lessons learned by the project team during the implementation of the project and that responds to the specifications required by USAID for the present extension.

The year 2004 is a year of singular importance for the country given the developments regarding several subjects of national as well as local transcendence. On the one hand are those topics that involve the future of Bolivia in terms of the discussion regarding a Constituent Assembly, a Referendum and a National Dialogue generated from political and social debate within the country. On the other hand, the extension period of the project will coincide with the municipal elections process and the project will have to support the electoral process by providing some information related to elections. In addition, the Congress of Latin American Cities and Local Governments will also take place and *Enlared* is planning on playing a key role.

Because many of these activities will have to be handled by the FAM, the *Enlared Team* will focus on the development of a baseline study which will highlight adjustments that need to be made to achieve the most optimal and effective use of the technological tools of the *Enlared Municipal* work model. At the same time, some areas of work will be consolidated while providing continuity to the functioning of the platform. Finally, the transfer strategy to FAM will also need to be established.

The concrete tasks to be undertaken and that will be included in the extension Work Plan are:

- Set-up and distribution of *Enlared Bulletin Comun@* numbers 51 through 60
- Provide support to the Latin American Congress of Cities and Local Governments, update information on the site of the Latin American Congress. Create a daily newspaper for the Latin American Congress
- Revive the network of correspondents
- Implement the section "Virtual Encounters" on the portal
- Platform maintenance (Administration of Web Server, Mail, Information Server, local network maintenance, user and partner support)
- Update Munidata variables, incorporation of information in Munidata and creation of municipal records
- Development of informative/educational CD's
- Adjustments of user guides on virtual showcase. Creation of "Munidata" guide
- Material--Lessons Learned
- Conduct transfer workshops
- Conduct elaboration of final report and oversee submission of all documentation (guides, manuals and other) to FAM

Task Order No.: 09

Task Order Title: Energy Efficiency Training for Municipal Associations

Period of Performance: March 24, 2003- January 29, 2004

USAID Office/Mission: USAID/Washington

CTO: Simone Lawaetz

I. Introduction

This task order focuses on improving energy efficiency in water utilities in Asia and Latin America. The two one-week courses: developed an understanding of the role of energy and energy efficiency within the context of local government and municipal management; raised awareness and competence in the application of energy efficient techniques among municipal managers and practitioners at the local level; and established a forum for dissemination of appropriate tools and best practices in energy efficiency. The course also established new networks of local practitioners based on memberships within municipal associations in the relevant country to encourage ongoing dissemination and sharing of information as well as institutionalization of tools, materials, etc.

II. Major Accomplishments this Quarter

ICMA completed the final report and Trainer's Guide during this quarter. The Trainer's Guide is based on the courses held in November 2003 in Bangalore, India and in Mexico City, Mexico. The materials provided in the guide are meant to serve as the foundation for future offerings for the course. Future offerings may be held by USAID, by municipalities, or by municipal associations within or beyond the regions in which the initial course was held. The audience is assumed to be local government elected or appointed leaders, as well as those involved in managing water facilities for the locality.

III. Challenges/Remedial Actions Taken

N/A

IV. Projected Activities for the Next Quarter

Project is complete.

Annex 1: Financial Information
(will be submitted under separate cover)